

**BEFORE THE COMMISSIONER OF THE TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE**

IN THE MATTER OF:
TENNESSEE SECURITIES DIVISION
Petitioner

DOCKET # 12.06-016295J

v.
MICKEY J. WILSON
SAMANTHA CAROL WILSON, &
CORPORATE CONSULTANTS
Respondent

NOTICE OF AN INITIAL ORDER BECOMING A FINAL ORDER

All parties are hereby notified that on September 20, 2001, the Initial Order entered in this matter became a Final Order pursuant to T.C.A. §4-5-318(f)(3), no party having filed a Petition for Appeal to the Agency pursuant to T.C.A. §4-5-315, within the fifteen (15) days permitted for such petitions, and the Agency having failed to issue a Notice of Intention to Review within the fifteen (15) days permitted under T.C.A. §4-5-315(b).

THE FINAL ORDER MAY BE REVIEWED IN THE FOLLOWING MANNER:

Within fifteen (15) days after the effective date of the Final Order, as listed above, any party may petition the Administrative Judge for reconsideration of the Final Order. If no action is taken within twenty (20) days of filing of the petition, it is deemed denied. See T.C.A. §4-5-317.

Any party may petition the Commissioner of the Department of Commerce and Insurance for a stay of the Final Order within seven (7) days after the effective date of the Order. See T.C.A. §4-5-316.

Any person aggrieved by this final decision may seek judicial review in a Chancery Court having jurisdiction within sixty (60) days after the date of the Final Order as listed above or, if a Petition for Reconsideration of the Final Order is granted, within sixty (60) days of the entry date of the Final Order disposing of the petition. (However, the filing of a Petition for Reconsideration does not itself act to extend the sixty-day period, if the Petition is not granted.) A reviewing court may also order a stay of the Final Order upon appropriate terms. See T.C.A. §4-5-322 and §4-5-317.

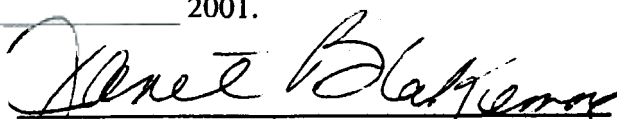

Charles C. Sullivan II, Director
Administrative Procedures Division

If any party has knowledge of an Appeal of the Initial Order or a Notice of Intention to Review the Initial Order having been filed within the required fifteen (15) days, contrary to the above information, please notify this office, telephone (615) 741-7008 or 741-2078, and this Notice may be set aside.

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of this document has been served upon counsel and all interested parties by delivering same to them at their address of record by placing a true and correct copy of same in the United States mail, postage prepaid.

This 21st day of Sept. 2001.


Administrative Procedures Division
Office of the Secretary of State

**BEFORE THE COMMISSIONER OF THE TENNESSEE
DEPARTMENT OF COMMERCE AND INSURANCE**

IN THE MATTER OF:

TENNESSEE SECURITIES DIVISION
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MICKEY J. WILSON
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DOCKET NO. 12.06-016295J

ORDER

THIS ORDER IS AN INITIAL ORDER RENDERED BY AN ADMINISTRATIVE JUDGE WITH THE ADMINISTRATIVE PROCEDURES DIVISION.

THE INITIAL ORDER IS NOT A FINAL ORDER BUT SHALL BECOME A FINAL ORDER UNLESS:

1. PARTY FILES A WRITTEN APPEAL OR PETITION FOR RECONSIDERATION WITH THE ADMINISTRATIVE PROCEDURES DIVISION NO LATER THAN September 20, 2001.

OR

2 THE AGENCY FILES A WRITTEN NOTICE OF REVIEW WITH ADMINISTRATIVE PROCEDURES DIVISION NO LATER THAN September 20, 2001.

YOU MUST FILE THE APPEAL, PETITION FOR RECONSIDERATION OR NOTICE OF REVIEW WITH THE ADMINISTRATIVE PROCEDURES DIVISION. THE ADDRESS OF THE ADMINISTRATIVE PROCEDURES DIVISION IS:

SECRETARY OF STATE
ADMINISTRATIVE PROCEDURES DIVISION
312 EIGHTH AVENUE NORTH
8TH FLOOR, WILLIAM R. SNODGRASS TOWER
NASHVILLE, TN 37243

IF YOU HAVE ANY FURTHER QUESTIONS, PLEASE CALL THE ADMINISTRATIVE PROCEDURES DIVISION, 615/741-7008 OR 741-2078 OR FAX 741-4472. PLEASE CONSULT APPENDIX A AFFIXED TO THE INITIAL ORDER FOR NOTICE OF APPEAL PROCEDURES.

provisions of Tenn. Code Ann. § 48-2-124(f). After consideration of the record, it was determined that the Petitioner's motion was proper. The Respondents, Mickey J. Wilson, Samantha Carol Wilson, and Corporate Consultants, were held in **DEFAULT**, and the Petitioner was permitted to proceed with an uncontested case.

INITIAL ORDER

The subject of this hearing was the proposed issuance of a Cease and Desist Order for alleged sales of securities by the Respondents without first having registered as a broker-dealer or agent of a broker-dealer and without having first registered said securities, and for fraud in connection with the sale of said securities, and for operating as an investment adviser without having first registered as such and for fraud in connection with such operation as an unregistered investment adviser. After consideration of the argument of counsel and the record in this matter, it is the determination of this Administrative Judge that the Respondents have violated several provisions of the Tennessee Securities Act of 1980, as amended, at Tenn. Code Ann. § 48-2-101 *et al.* and have specifically violated Tenn. Code Ann. §§ 48-2-104, 48-2-109(a)-(c), and 48-2-121

Accordingly, it is the determination of this Administrative Judge that Respondents Mickey J Wilson, Samantha Carol Wilson, and Corporate Consultants are hereby ordered to cease and desist from all further violations of the Tennessee Securities Act of 1980 ("Act"), as amended, at Tenn. Code Ann. § 48-2-101 *et al.*

FINDINGS OF FACT

The Act assigns the responsibility for administration of the Act to the Commissioner. The Division is the lawful agent through which the Commissioner administers the Act, and is authorized to bring this action for the protection of investors and the public. The Division's official residence and place of business is in Nashville, Davidson County, Tennessee 37243

2 Corporate Consultants ("CC") is an entity with its principal place of business located at 2403 Royal Fern Trail, Chattanooga, Tennessee 37241 CC is not chartered with the Tennessee Secretary of State. CC has never registered with the Division as a broker-dealer, agent of a broker-dealer, investment adviser or agent of an investment adviser

3 Mickey J. Wilson ("Wilson") is a citizen and resident of Tennessee with addresses located at 5600 Lake Shore Terrace, Chattanooga, Tennessee 37415, P.O. Box 19010, Nashville, Tennessee 37219, and 2403 Royal Fern Trail, Chattanooga, Tennessee 37241 Wilson has never registered with the Division as a broker-dealer, agent of a broker-dealer, investment adviser or agent of an investment adviser.

4 Samantha Carol Wilson ("S. Wilson") is a citizen and resident of Tennessee with addresses located at 908 Whitehall Road, Apt. 8E, Chattanooga, Tennessee 37405 and 5600 Lake Resort Terrace, Apt. U344, Chattanooga, Tennessee 37415-7516. S. Wilson has never registered with the Division as a broker-dealer, agent of a broker-dealer, investment adviser or agent of an investment adviser.

5 Wilson and S. Wilson met Billie Jean Soloff ("Soloff") in a social setting several years ago at which Wilson represented to Soloff that Wilson and members of his family were bankers in South Pittsburg, Tennessee. Wilson also represented to Soloff that he was knowledgeable about investing and that he was a bonded investment adviser. Soloff, who was unhappy with the rate of return on her investments, was convinced by Wilson to allow Wilson to manage Soloff's holdings.

6 In May of 1992, Wilson convinced Soloff that he needed her to give him power of attorney to better manage her investments. During the next five years, Wilson periodically provided financial statements to Soloff which purported to demonstrate increases in the value of Soloff's investments. Wilson along with his wife, S. Wilson, also prepared Soloff's income tax returns from 1993 to 1995

7 In fact, during the entire period Wilson and S. Wilson were supposedly managing Soloff's investments, Wilson and S. Wilson were systematically liquidating Soloff's investment assets to fund their personal expenses. The income tax returns filed on behalf of Soloff by Wilson and S. Wilson indicate that Soloff's investments were liquidated and were not reinvested, as Wilson had represented to Soloff. From a period beginning in 1992 and ending in approximately 1997, Wilson and S. Wilson fraudulently obtained in excess of five hundred thousand dollars (\$500,000) from Soloff.

8 Additionally, Wilson also borrowed the cash value of a life insurance policy on Soloff's ex-husband but never deposited the proceeds, which totaled approximately one hundred thousand dollars (\$100,000), into any of Soloff's accounts. Wilson also apparently convinced Soloff not to discuss her financial affairs with her children in an apparent attempt to conceal his activities

9. On or about September 25, 1997, David B. Soloff, III ("D. Soloff"), a citizen and resident of Tennessee, entered into a contract with Wilson and CC whereby D. Soloff agreed to invest ten thousand dollars (\$10,000) in return for an anticipated return of a portion of the consulting fees that CC was to receive from Southern Energy Co. ("SE") and MountainBrook Coal Company ("MCC"). Wilson represented to D. Soloff that Wilson had an exclusive sales agreement with MCC and SE and that Wilson and D. Soloff would receive two hundred thousand dollars (\$200,000) in consulting fees from the agreement with MCC and SE.

10. D. Soloff has, to date, not received either the promised returns or his initial ten thousand dollar (\$10,000) investment. A representative of MCC and SE, Peggy Chandler ("Chandler"), has indicated that Wilson was not affiliated with MCC or SE and that MCC and SE had no contract or agreement with Wilson of any kind.

The total loss to D. Soloff was ten thousand dollars (\$10,000.00), which Wilson fraudulently obtained for his own personal use.

12. The total loss to Soloff was, to the best of the State's knowledge, six hundred seventy-seven thousand one hundred fifty four dollars and four cents (\$677,154.04), which Wilson, S. Wilson, and CC fraudulently obtained and converted to their own personal use.

CONCLUSIONS OF LAW

Pursuant to Tenn. Code Ann. § 48-2-116, the Commissioner may make, promulgate, amend and rescind such orders as are necessary to carry out the provisions of the Act provided that such order is in the public interest, necessary for the protection of investors and consistent with the purposes fairly intended by the policy and provision of the Act. Cease and Desist Orders have been held to be proper orders issued under this part. *See Wolcotts Financial Services, Inc.*

McReynolds, 807 S.W.2d 708 (Tenn.App. 1990).

2 Tenn. Code Ann. § 48-2-104 provides that it is unlawful for any person to offer and/or sell any security in this state unless it is registered under this part, the security transaction is exempted under Tenn. § 48-2-103, or the security is a covered security

3. Tenn. Code Ann. § 48-2-109 provides, in pertinent part, that it is unlawful for any person to transact business in this state as a broker-dealer or agent unless such person is registered as a broker-dealer or agent under this part

4. Tenn. Code Ann. § 48-2-109(c) provides, in pertinent part, that it is unlawful for any person to transact business from or in this state as an investment adviser unless: (1) the person is registered as an investment adviser under this part; (2) the person is required to register as an investment adviser pursuant to Section 203 of the Investment Advisers Act of 1940 provided that a notice consisting of any documents filed with the securities and exchange commission, a consent to service of process, and a nonrefundable fee of one hundred dollars (\$100) shall be filed with the Commissioner ten (10) days prior to the person acting as an investment adviser in this State; or (3) the person's only clients are insurance companies

5 Tenn. Code Ann. § 48-2-121(a) states, in pertinent part, that it is unlawful for any person, in connection with the offer, sale or purchase of any security in this state, directly or indirectly, to employ any device, scheme, or artifice to defraud, make any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading, or engage in any act, practice or course of business which operates or would operate as a fraud or deceit upon any person

6. Tenn. Code Ann. § 48-2-121(b) provides, in pertinent part, that it is unlawful for any person who receives any consideration from another person primarily for advising the other person as to the value of securities or their purchase or sale, whether through the issuance of analyses or reports or otherwise, in this state, to (1) employ any device, scheme, or artifice to defraud the other person; (2) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon the other person; or (3) take or have custody of any securities or funds of any client unless the adviser is licensed as a broker-dealer under this part.

7. The State has met its burden of proof by a preponderance of the evidence that the Respondents Wilson, S. Wilson, and CC conducted sales of securities without first having registered as a broker-dealer or agent of a broker-dealer with the Division.

8. The State has met its burden of proof by a preponderance of the evidence that the Respondents Wilson, S. Wilson, and CC sold securities in this State without having first registered said securities with the Division.

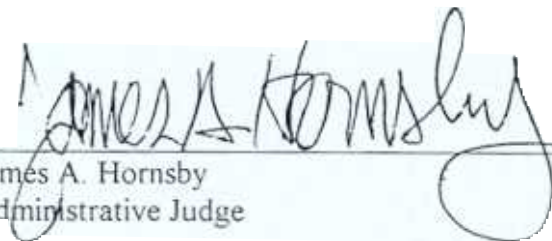
9. The State has met its burden of proof by a preponderance of the evidence that Respondents Wilson, S. Wilson, and CC employed an artifice to defraud D. Soloff in connection with the sale of the unregistered securities.

10. The State has met its burden of proof by a preponderance of the evidence that Respondents Wilson, S. Wilson, and CC have operated as an investment adviser without having first registered as such with the Division.


The State has met its burden of proof by a preponderance of the evidence that the Respondents Wilson, S. Wilson, and CC have employed an artifice to defraud Soloff in connection with such operation as an unregistered investment adviser.

It is therefore **ORDERED** that Respondents Wilson, S. Wilson, and CC shall hereby cease and desist from any further violation(s) of the Act. It is further **ORDERED** that Respondents Wilson, S. Wilson, and CC shall not make any offer or sales of securities in this State without first having lawfully registered with the Division as a broker-dealer or agent thereof and without having first lawfully registered said securities. It is further **ORDERED** that Respondents Wilson, S. Wilson and CC shall not transact business from or in this State as an investment adviser without having first lawfully registered as an investment adviser with the Division.

This Initial Order entered and effective this 5th day of September, 2001


James A. Hornsby
Administrative Judge

SUBMITTED FOR ENTRY:


Kevin C. Bartels (BPR # 0206183)
Staff Attorney
Department of Commerce and Insurance
William R. Snodgrass Tower, Twenty-Fifth Floor
312 Eighth Avenue, North
Nashville, Tennessee 37243-0569
615 741 2199

Filed in the Administrative Procedures Division, this 5th day of September 2001.

Charles C. Sullivan, II
Charles C. Sullivan, II, Director
Administrative Procedures Division *ccu*

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of this document has been served upon all parties, by delivering the same to them, or to their counsel, at their address of record, or by placing a true and correct copy of same in the United States mail, postage prepaid.

This 5th day of September 2001.

Ashlee E. Walls
Administrative Procedures Division
Office of the Secretary of State

APPENDIX A TO INITIAL ORDER
NOTICE OF APPEAL PROCEDURES

Review of Initial Order

This Initial Order shall become a Final Order (reviewable as set forth below) fifteen (15) days after the entry date of this Initial Order, unless either or both of the following actions are taken:

(1) Either party files a petition for appeal to the agency or the agency on its own motion gives written notice of its intention to review the Initial Order, within fifteen (15) days after the entry date of the Initial Order. If either of these actions occur, there is no Final Order until review by the agency and entry of a new Final Order or adoption and entry of the Initial Order, in whole or in part, as the Final Order. A petition for appeal to the agency must be filed within the proper time period with the Administrative Procedures Division of the Office of the Secretary of State, 8th Floor, William R. Snodgrass Tower, 312 Eighth Avenue N., Nashville, Tennessee, 37243. (Telephone No. (615) 741-7008). See Tennessee Code Annotated, Section (T.C.A. §) 4-5-315, on review of initial orders by the agency.

(2) A party files a petition for reconsideration of this Initial Order, (stating the specific reasons why the Initial Order was in error) within fifteen (15) days after the entry date of the Initial Order. This petition must be filed with the Administrative Procedures Division at the above address. A petition for reconsideration is deemed denied if no action is taken within twenty (20) days of filing. A new fifteen (15) day period for the filing of an appeal to the agency (as set forth in paragraph (1) above) starts to run from the entry date of an order disposing of a petition for reconsideration, or from the twentieth day after filing of the petition, if no order is issued. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Initial Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

Review of Final Order

Within ten (10) days after the Initial Order becomes a Final Order, or within ten (10) days after the entry date of a Final Order by the agency, a party may petition the agency for reconsideration of the Final Order. If no action is taken within twenty (20) days of filing of the petition, it is deemed denied. See T.C.A. §4-5-317 on petitions for reconsideration.

A party may petition the agency for a stay of the Final Order within seven (7) days after the entry date of the order. See T.C.A. §4-5-316.

A person who is aggrieved by a final decision in a contested case may seek judicial review of the Final Order by filing a petition for review in a Chancery Court having jurisdiction (generally, Davidson County Chancery Court) within sixty (60) days after the entry date of a Final Order or, if a petition for reconsideration is granted, within sixty (60) days of the entry date of the Final Order disposing of the petition. (However, the filing of a petition for reconsideration does not itself act to extend the sixty day period, if the petition is not granted.) A reviewing court also may order a stay of the Final Order upon appropriate terms. See T.C.A. §4-5-322 and §4-5-317.